

## ENERGY

### POSSIBLE EXPORT OF OIL TO JAPAN

**Mr. Ray Skelly (Comox-Powell River):** Madam Speaker, my question is for the Minister of Energy, Mines and Resources. It pertains to an announcement that five months ago the Japanese put together a consortium of the five largest shipbuilding companies in Japan to build the world's largest ice-breaking oil tanker—they are not LNG tankers, they are oil tankers. The intention is to use those tankers to carry oil from the Beaufort Sea in Canada's Arctic. Would the minister state categorically in this House that the government has not made a deal, or given an understanding, that there will be an export of Arctic oil to Japan?

**Hon. Marc Lalonde (Minister of Energy, Mines and Resources):** Madam Speaker, very definitely there is no such deal. There has never been any conversation along those lines. Canada is an oil importer, not an oil exporter.

The time when Canada would have a surplus of oil to export would be the time for the National Energy Board and the government to decide if exports should be authorized, and to which countries.

I can assure the hon. member that there has never been any indication to Japan that they could count on the import of oil from Canada's Beaufort Sea. On the contrary, I had meetings with a number of Japanese ministers when they visited Ottawa from time to time, and I went out of my way to make it clear that in the foreseeable future Canada was not in a position to consider exports of oil from the Beaufort Sea or the offshore.

### ASSURANCES SOUGHT RESPECTING USE OF CANADIAN SHIPS

**Mr. Ray Skelly (Comox-Powell River):** Madam Speaker, the question which then arises is that the Japanese appear to be spending hundreds of millions of dollars and have the designs in place to carry out this work. They have targeted the Beaufort Sea and the Arctic as the locations in which these ships will work. Dome Petroleum has a financing agreement in one phase of it which apparently allows the Japanese a quarter of the oil there. Would the minister categorically indicate that the ships used to exploit and transport Arctic resources and offshore resources will be Canadian ships, built in Canada and operated by Canadian crews?

**Hon. Marc Lalonde (Minister of Energy, Mines and Resources):** Madam Speaker, that would certainly be my hope. However, this would again be a matter which would have to be examined in terms of the competitive bidding and also the ability of our shipyards to build the kind of ships which are required. The ability of our shipyards to build the size of ships which are required must be examined. The size of ships which are involved are very large ones indeed. We will have to see whether our shipyards, taking into account all the orders that are expected to go to our shipyards with offshore development, etc., will be in a position to handle this kind of order.

### Oral Questions

Indeed, Bill C-48, which is before the parliamentary committee at the present time, indicates that we certainly hope that arrangements would be made with developers to ensure that the Canadian people and Canadian business would be in a position to compete on very favourable terms with any foreign bidders in this regard.

**Mr. Skelly:** Madam Speaker, the Japanese are about seven years ahead of where we are in building this equipment. We are so slow to move. Bill C-48 is so weak in the Canadian content provisions that you could drive a truck through it—

**An hon. Member:** You could drive a tanker through it.

**Mr. Skelly:** All humour aside, the provisions are extremely weak and the Japanese are very far ahead. I think the minister should stop playing dog in the manger here. We must either tell the Canadian people—

**Madam Speaker:** Order, please. Would the hon. member put his question?

**Mr. Skelly:** The government should be prepared to tell the Canadian people that either the Japanese will build that equipment or tell them clearly, and Dome Petroleum, that Canadians will build that equipment, and that no more of the equipment will go offshore, and that the Japanese may as well stop their production.

**Some hon. Members:** Hear, hear!

**Mr. Lalonde:** Madam Speaker, the Japanese business community has been very active since the end of the war in many fields. The hon. member is aware of this. Rather than complain about the initiative of the Japanese, we in Canada ought to encourage Canadian business to show the same type of initiative and dynamism which has been shown by business communities in other countries. This is what the government is trying to do under the leadership of the Minister of Industry, Trade and Commerce.

As far as the question raised by the hon. member is concerned, I would like to remind him that, while he complains that the provisions of Bill C-48 are inadequate, in effect it is those very provisions which have given rise to protests from members of the OECD countries. On the contrary, those countries are protesting to the effect that the measures we are proposing in this respect are going too far. We have been the ones to defend those provisions in the international community by saying what was required for Canada.

Far from being found weak or inadequate, those provisions are viewed as severe by Canada's allies and friends. Indeed, we have had to fight in the international community to defend those provisions. I hope we will get the support of the hon. member in the committee in order to have those provisions passed by this Parliament soon.